

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries & Commerce Department - Andhra Pradesh Industrial Development Corporation Limited (APIDC Limited) - Permission accorded for investment of Rs.50.00 crore in VenturEast Life Fund-III (VELF-III) of the APIDC – Venture Capital Private Limited (APIDC-VCL) by APIDC Limited, Hyderabad from its own funds – Orders – Issued

INDUSTRIES & COMMERCE (IF CELL) DEPARTMENT

G.O. Ms. No. 230

Dated:-28.10.2009.

Read :-

From the C&MD, APIDC Limited, Hyderabad,
Lt.No.C&MD/APIDC/VLF-III/017/2009, dt.03.04.2009 and a
further letter dt. 18.6.2009 from the APIDC Ltd, Hyderabad.

ORDER:-

In the reference read above, the Chairman & Managing Director, A.P. Industrial Development Corporation Limited, Hyderabad, informed that APIDC-Venture Capital Private Limited (APIDC-VCL) vide their letter dated 29th December, 2008 sought for an investment of Rs.50.00 crore by APIDC Limited in their VenturEast Life Fund III (VLF-III) against a targeted corpus of around USD 200 million in early - growth stage small & medium scale (SME) ventures in the fast growing health care, food processing, agri-related and clean technology sectors.

It is also informed by C&MD, APIDC Limited, the proposal of APIDC-VCL was placed before the Board of Directors of the Corporation on 21st January, 2009 and the Board has taken a decision to get the proposal appraised by a professional group. Accordingly, APIDC Limited appointed M/s. KPMG, who having appraised the proposal, recommended for investment of Rs. 50.00 crore in VenturEast Life Fund III (VLF-III) of APIDC-VCL by APIDC Ltd. Accordingly, the Board considered the request of APIDC-VCL and referred the matter to the Government for their approval.

While recommending this proposal for investment of Rs.50.00 crore from APIDC's own funds in VenturEast Life Fund III (VLF-III) of APIDC-VCL, the C&MD of APIDC Limited, Hyderabad has also stated in support of their proposal, that APIDC earlier invested Rs.13.77 crore in APIDC - Venture Capital Fund 1990 and received the returns of Rs.44.29 crore upto 31.03.2009 and the Corporation expects further returns of about Rs.14.00 crore. Keeping in view the satisfactory working and returns from the first fund discussed above, the APIDC Limited now proposed for investment of Rs.50.00 crore from out of APIDC's own funds in the proposed VenturEast Life Fund III (VLF-III) of APIDC-VCL, in a phased manner over a period of 3-4 years in (VLF-III) of APIDC-VCL and requested for permission of Government.

After careful examination of the matter, Government have decided to approve the proposal of the C&MD of APIDC Limited, Hyderabad for an investment of Rs.50.00 crore in VenturEast Life Fund III (VLF-III) of APIDC-VCL and accordingly, permission is hereby accorded for investment of Rs.50.00 crore in VenturEast Life Fund III (VLF-III) of APIDC-VCL by APIDC Limited from its own funds in a phased manner over a period of 3-4 years.

The C&MD, APIDC Limited, Hyderabad is requested to report the progress of VenturEast Life Fund III of APIDC-VCL and critically review working of the funds invested, from time to time. and send detailed reports to Government in Finance and Industries & Commerce Departments.

(PTO)

This order issues with the concurrence of Finance (Exp. I&C) Department vide their U.O. No. 24390/426/Exp. I&C/2009, dated 6.10.2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT & CIP.

To
The Chairman & Managing Director, A.P. Industrial Development Corporation Ltd,
Hyderabad,
The Managing Director, APIDC –VCL, Hyderabad.

Copy to:-

The PS to Hon'ble Chief Minister.
The PS to Min.(MI).
The PS to Chief Secretary.
The PS to Prl. Secy. to Govt & CIP, Ind. & Com. Dept.
The Finance (Exp.Ind & Com.)Dept.
The PE (III)Dept.
The Accountant General, AP, Hyd.
The Pay & Accounts Officer, AP, Hyd.
Sf / scs.

// FORWARDED :: BY ORDER //

SECTION OFFICER.